

HOUSE BILL NO. 7

INTRODUCED BY WITT

BY REQUEST OF THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION AND THE OFFICE OF BUDGET AND PROGRAM PLANNING

A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO THE DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION FOR GRANTS FOR DESIGNATED PROJECTS UNDER THE RECLAMATION AND DEVELOPMENT GRANTS PROGRAM; PRIORITIZING GRANTS AND AMOUNTS; ESTABLISHING CONDITIONS FOR GRANTS; AMENDING SECTION 2, CHAPTER 419, LAWS OF 1999, AND SECTION 2, CHAPTER 232, LAWS OF 2001; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. **Section 1. Appropriations for reclamation and development grants.** (1) The amount of \$2,400,000 is appropriated to the department of natural resources and conservation from the reclamation and development grants special revenue account from funds allocated for appropriation from the interest income of the resource indemnity trust fund as set forth in Title 15, chapter 38.

(2) The funds appropriated in this section must be awarded by the department to the entities listed in [section 2] for the prescribed purposes and in the prescribed grant amounts, subject to the conditions provided in [sections 2 through 4].

NEW SECTION. **Section 2. Approved grant projects.** (1) The legislature approves the grants listed in subsection (2), to be made in the order of priority as indicated within the following list of projects and activities. If the conditions in [sections 3 and 4] are met, funds must be awarded up to the amounts approved in this section in order of priority until available funds are expended. Funds not accepted by grantees or funds not used by higher-ranked projects and activities must be provided for projects and activities lower on the priority list that would otherwise not receive funding. Descriptions of the various projects and activities and specific conditions established for each project and activity are contained within the department of natural resources and conservation's reclamation and development grants program report to the 58th legislature for the 2005 biennium.

(2) The following are the grants program prioritized projects and activities:



	Grant Amount
1 Applicant/Project	
2 Board of Oil and Gas Conservation	
3 ———— (2003 Northern District Plug and Abandonment) —————	\$300,000
4 Board of Oil and Gas Conservation	
5 ———— (2003 Southern District Plug and Abandonment) —————	300,000
6 Department of Natural Resources and Conservation	
7 ———— (Planning Grants) —————	150,000
8 Department of Environmental Quality	
9 ———— (Washington Mine and Millsite Reclamation) —————	300,000
10 Big Horn Conservation District	
11 ———— (State-Line Ground Water Monitoring Network for Tongue and Powder River Watersheds) —————	300,000
12 Sunburst, Town of	
13 ———— (Sunburst Water Supply Renovation) —————	185,249
14 Board of Oil and Gas Conservation	
15 ———— (Fate and Transport of Impounded Coal Bed Methane Water) —————	200,000
16 Department of Environmental Quality	
17 ———— (Drumlummon Tailings, Goldsil - Argo Millsite and Mine Waste Reclamation) —————	300,000
18 Toole County	
19 ———— (2003 Plugging and Abandonment Aid to Small Independent Operators) —————	240,000
20 Department of Environmental Quality	
21 ———— (Blue Bird Mine Reclamation) —————	200,000
22 Sheridan County Conservation District	
23 ———— (Protecting Natural Resources by Reclaiming Oilfield Brine Contaminated Soils) —————	150,000
24 Governor's Office	
25 ———— (Growing Carbon "Applying Market-Based Conservation Through Carbon Sequestration") —————	150,000
26 Fergus County Conservation District	
27 ———— (Central Montana Aquifer Project) —————	150,000
28 Judith Basin Conservation District	
29 ———— (Judith Basin Aquifer Restoration and Conservation) —————	70,000
30 <u>BIG HORN CONSERVATION DISTRICT</u>	

1	<u>(GROUND WATER MONITORING--TONGUE & POWDER RIVER WATERSHEDS)</u>	<u>300,000</u>
2	<u>SUNBURST, TOWN OF</u>	
3	<u>(SUNBURST WATER SUPPLY RENOVATION)</u>	<u>185,249</u>
4	<u>GOVERNOR'S OFFICE</u>	
5	<u>(GROWING CARBON)</u>	<u>300,000</u>
6	<u>BOARD OF OIL AND GAS CONSERVATION</u>	
7	<u>(OIL AND GAS PLUG AND ABANDONMENT)</u>	<u>200,000</u>
8	<u>TOOLE COUNTY</u>	
9	<u>(2003 PLUGGING AND ABANDONMENT)</u>	<u>240,000</u>
10	<u>BOARD OF OIL AND GAS CONSERVATION</u>	
11	<u>(2003 NORTHERN DISTRICT PLUG AND ABANDONMENT)</u>	<u>300,000</u>
12	<u>BOARD OF OIL AND GAS CONSERVATION</u>	
13	<u>(2003 SOUTHERN DISTRICT PLUG AND ABANDONMENT)</u>	<u>100,000</u>
14	<u>DEPARTMENT OF ENVIRONMENTAL QUALITY</u>	
15	<u>(WASHINGTON MINE AND MILLSITE RECLAMATION)</u>	<u>300,000</u>
16	<u>POWELL COUNTY*</u>	
17	<u>(CMC ROUNDHOUSE SITE CLEANUP)</u>	<u>76,400</u>
18	<u>DEPARTMENT OF ENVIRONMENTAL QUALITY</u>	
19	<u>(DRUMLUMMON TAILINGS, GOLDSIL MINE WASTE RECLAMATION)</u>	<u>300,000</u>
20	<u>SHERIDAN COUNTY CONSERVATION DISTRICT</u>	
21	<u>(RECLAIMING OILFIELD BRINE CONTAMINATED SOILS)</u>	<u>150,000</u>
22	<u>DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION</u>	
23	<u>(PLANNING GRANTS)</u>	<u>50,000</u>
24	<u>FERGUS COUNTY CONSERVATION DISTRICT</u>	
25	<u>(CENTRAL MONTANA AQUIFER PROJECT)</u>	<u>150,000</u>
26	<u>JUDITH BASIN CONSERVATION DISTRICT</u>	
27	<u>(JUDITH BASIN AQUIFER RESTORATION AND CONSERVATION)</u>	<u>70,000</u>
28	<u>THE PROJECT GRANT IDENTIFIED WITH AN ASTERISK (*) IS CONTINGENT ON THE TRANSFER OF THE SITE THAT IS</u>	
29	<u>14.5 ACRES LOCATED SOUTH OF MILWAUKEE AVENUE TO POWELL COUNTY WITHOUT COMPENSATION TO THE CURRENT</u>	
30	<u>OWNER.</u>	

1 (3) To the entities listed in this section, this appropriation constitutes a valid obligation of these funds
2 for purposes of encumbering the funds within the 2005 biennium pursuant to 17-7-302.

3
4 **NEW SECTION. Section 3. Coordination of fund sources for grants program projects.** A sponsor
5 of a grants program project who has applied for a grant for that project under both the reclamation and
6 development grants program and the renewable resource grant and loan program may not receive duplicate
7 funding.

8
9 **NEW SECTION. Section 4. Condition of grants.** Disbursement of grant funds under [sections 1
10 through 5] is subject to the following conditions that must be met by the project sponsor:

11 (1) A scope of work and budget for the project must be approved by the department of natural resources
12 and conservation. Reduction in a scope of work or budget may not affect priority activities or improvements.

13 (2) Other funds required for project completion must have been committed, and the commitment must
14 be documented.

15 (3) The project sponsor shall show satisfactory completion of conditions described in the
16 recommendation section of the project narrative of the reclamation and development grants program report to
17 the legislature for the 2005 biennium.

18 (4) An agreement between the department and the project sponsor must be executed in a timely
19 manner, taking into consideration any changed conditions or circumstances that govern the administration and
20 disbursement of funds.

21 (5) Any other specific requirements considered necessary by the department must be met to accomplish
22 the purpose of the grant as evidenced from the application to the department or as defined by the legislature.

23
24 **NEW SECTION. Section 5. Other appropriations.** There is appropriated to any entity of state
25 government that receives a grant under [sections 1 through 4] the amount of the grant upon award of the grant
26 by the department of natural resources and conservation. Grants to state entities from a prior biennium are
27 reauthorized for completion of contract work.

28
29 **SECTION 6. SECTION 2, CHAPTER 419, LAWS OF 1999, IS AMENDED TO READ:**
30 **"Section 2. Approved grant projects.** (1) The legislature approves the grants listed in subsection (2),

1 to be made in the order of priority as indicated within the following list of projects and activities. If the conditions
 2 in [sections 3 and 4] are met, funds must be awarded up to the amounts approved in this section in order of
 3 priority until available funds are expended. Funds not accepted by grantees or funds not used by higher-ranked
 4 projects and activities must be provided for projects and activities lower on the priority list that would otherwise
 5 not receive funding. Descriptions of the various projects and activities and specific conditions established for
 6 each project and activity are contained within the department of natural resources and conservation's
 7 reclamation and development grants program report to the 56th legislature for the 2001 biennium.

8 (2) The following are the grants program prioritized projects and activities:

9 Applicant/Project	Grant Amount
10 MONTANA BOARD OF OIL AND GAS CONSERVATION*	
11 1999 "A" Orphaned Well Plug and Abandonment and	
12 Site Restoration	\$300,000
13 MONTANA BOARD OF OIL AND GAS CONSERVATION*	
14 1999 "B" Orphaned Well Plug and Abandonment and	
15 Site Restoration	300,000
16 ENVIRONMENTAL QUALITY, DEPARTMENT OF*	
17 Toston Smelter Reclamation Project	300,000
18 ENVIRONMENTAL QUALITY, DEPARTMENT OF*	
19 Frohner Mine Reclamation Project	300,000
20 ENVIRONMENTAL QUALITY, DEPARTMENT OF*	
21 Great Republic Smelter Reclamation Project	300,000
22 PARK CONSERVATION DISTRICT*	
23 Upper Yellowstone River Cumulative Effects Investigation	299,940
24 TOOLE COUNTY*	
25 Toole County Plugging and Abandonment, Aid to Independent	
26 Small Oil Operators	300,000
27 BUTTE-SILVER BOW LOCAL GOVERNMENT	
28 Upper Clark Fork Basin: Superfund Technical Assistance	95,236
29 FERGUS COUNTY CONSERVATION DISTRICT*	
30 Central Montana Artesian Basin Ground Water Project	150,000

1	TOOLE COUNTY	
2	North Toole County Reclamation Project	150,000
3	BUTTE-SILVER BOW LOCAL GOVERNMENT	
4	Mining City Mineyard Preservation and Enhancement	297,104
5	TOWNSEND, CITY OF	
6	East Pacific Mine Reclamation	202,500
7	MONTANA TECH OF THE UNIVERSITY OF MONTANA	
8	Champion International Gravel Pit Reclamation Project	57,494
9	LEWISTOWN, CITY OF	
10	Source Location of Hazardous Organic Contaminants	
11	Spring Creek Drainage	50,000
12	GLASGOW IRRIGATION DISTRICT	
13	St. Mary Diversion Repairs	110,818
14	MONTANA BOARD OF OIL AND GAS CONSERVATION	
15	Oil Well Abandonment	20,105

16 The board of oil and gas conservation is authorized to expend remaining funds from grants to the board
 17 in this subsection (2) and remaining funds from grants previously awarded to the board to pay for the proper
 18 plugging of additional abandoned oil and gas wells. In determining which wells to plug, abandoned wells that
 19 represent the greatest threat to the environment and public health and safety should be given priority over all
 20 others.

21 (3) To the entities listed in this section, this appropriation constitutes a valid obligation of these funds
 22 for purposes of encumbering the funds within the 2001 biennium pursuant to 17-7-302.

23 (4) The funding provided to the grant projects in this section and identified by an asterisk (*) following
 24 the applicant's name is eligible for and may be designated for use as a nonfederal match for the federal funding
 25 acquired for the nonpoint source pollution control program administered by the department of environmental
 26 quality."

27
 28 **SECTION 7. SECTION 2, CHAPTER 232, LAWS OF 2001, IS AMENDED TO READ:**
 29 **"Section 2. Approved grant projects.** (1) The legislature approves the grants listed in subsection (2),
 30 to be made in the order of priority as indicated within the following list of projects and activities. If the conditions

1 in [sections 3 and 4] are met, funds must be awarded up to the amounts approved in this section in order of
 2 priority until available funds are expended. Funds not accepted by grantees or funds not used by higher-ranked
 3 projects and activities must be provided for projects and activities lower on the priority list that would otherwise
 4 not receive funding. Descriptions of the various projects and activities and specific conditions established for
 5 each project and activity are contained within the department of natural resources and conservation's
 6 reclamation and development grants program report to the 57th legislature for the 2003 biennium.

7 (2) The following are the grants program prioritized projects and activities:

8 Applicant/Project	Grant Amount
9 BOARD OF OIL AND GAS CONSERVATION*	\$300,000
10 2001 Eastern District Orphaned Well Plug & Abandonment	
11 & Site Restoration	
12 BOARD OF OIL AND GAS CONSERVATION*	300,000
13 2001 Northern District Orphaned Well Plug & Abandonment	
14 & Site Restoration	
15 DEPARTMENT OF ENVIRONMENTAL QUALITY	300,000
16 Development of Trust Fund to Ensure Long-Term Water	
17 Treatment at Zortman-Landusky	
18 POWELL COUNTY*	300,000
19 Ontario Wet Tailings Reclamation	
20 CITY OF LEWISTOWN*	297,740
21 Reclamation of Brewery Flats on Big Spring Creek	
22 DEPARTMENT OF ENVIRONMENTAL QUALITY*	291,191
23 CMC Pony Mill Site Reclamation Project (completion phase)	
24 BROADWATER CONSERVATION DISTRICT*	145,380
25 Big Belt Mine Reclamation Projects	
26 CITY OF DEER LODGE*	140,000
27 Former Chicago Milwaukee Railroad Passenger Fueling	
28 Area, Deer Lodge, Montana	
29 BUTTE-SILVER BOW COUNTY	49,272
30 Upper Clark Fork Basin; Superfund Technical Assistance	

1	BOARD OF OIL AND GAS CONSERVATION	250,000
2	2001 Southern District Orphaned Well Plug & Abandonment	
3	& Site Restoration	
4	CUSTER COUNTY CONSERVATION DISTRICT*	299,977
5	Yellowstone River Resource Conservation Project	
6	CASCADE COUNTY / WEED AND MOSQUITO MANAGEMENT	218,466
7	Fort Shaw Weed Shop Soil Contamination Remediation	
8	DEPARTMENT OF ENVIRONMENTAL QUALITY*	300,000
9	Organic Soil Amendments	
10	DEPARTMENT OF ENVIRONMENTAL QUALITY*	300,000
11	Zortman Mine - Ruby Gulch Tailings Removal	
12	The state grant is subject to receipt of federal funds to complete tailings removal and stream channel	
13	restoration above, within, and below the Zortman townsite.	
14	DEPARTMENT OF ENVIRONMENTAL QUALITY	250,000
15	Coal Bed Methane Gas EIS	
16	GLACIER COUNTY*	150,000
17	2000 Glacier County Plugging & Abandonment	
18	PONDERA COUNTY*	100,000
19	Pondera County Oil & Gas Well Plug & Abandonment Project	
20	LIBERTY COUNTY*	50,000
21	Abandonment Aid Program for Small Independent Operators in	
22	Liberty, Hill, Blaine, & Chouteau Counties	
23	DEPARTMENT OF ENVIRONMENTAL QUALITY*	300,000
24	Gregory Mine Reclamation Project	
25	SHERIDAN COUNTY CONSERVATION DISTRICT	299,950
26	Protecting Natural Resources by Reclaiming Oilfield	
27	Brine Contaminated Soils	
28	DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION	272,500
29	DNRC Environmental Hazard Sites on State Land	
30	FLATHEAD COUNTY	167,821

1 Assessment of Aggregate Resources for Long-Term Planning
2 in Flathead & Missoula Counties

3 (3) To the entities listed in this section, this appropriation constitutes a valid obligation of these funds
4 for purposes of encumbering the funds within the 2003 biennium pursuant to 17-7-302.

5 (4) The funding provided to the grant projects in this section and identified by an asterisk (*) following
6 the applicant's name is eligible for and may be designated for use as a nonfederal match for the federal funding
7 acquired for the nonpoint source pollution control program administered by the department of environmental
8 quality."

9

10 NEW SECTION. **Section 8. Severability.** If a part of [this act] is invalid, all valid parts that are
11 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
12 the part remains in effect in all valid applications that are severable from the invalid applications.

13

14 NEW SECTION. **Section 9. Effective date.** [This act] is effective July 1, 2003.

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